

**LEGISLATIVE SERVICES AGENCY  
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**FISCAL IMPACT STATEMENT**

**LS 6994**

**BILL NUMBER:** SB 324

**NOTE PREPARED:** Jan 5, 2006

**BILL AMENDED:**

**SUBJECT:** Various Education Matters.

**FIRST AUTHOR:** Sen. Drozda

**BILL STATUS:** As Introduced

**FIRST SPONSOR:**

**FUNDS AFFECTED:** X **GENERAL**  
**DEDICATED**  
**FEDERAL**

**IMPACT:** State & Local

**Summary of Legislation:** *Buses:* This bill allows the use of school-owned buses for nonprofit organizations under certain conditions.

*Nurses:* The bill allows school corporations to independently contract for school nurses and other certified or licensed personnel to provide student services and health services. It removes the requirement that a school nurse must have a bachelor's degree in nursing.

*Contracts:* The bill makes statutes governing nonrenewal of contracts applicable to assistant superintendents, principals, assistant principals, and directors of special education consistent with statutes governing the nonrenewal of a superintendent's contract.

*Public Works Projects:* The bill increases the cost of public works projects subject to the bidding process.

*Skilled Maintenance Personnel:* The bill allows payment of skilled maintenance personnel salaries and fringe benefits from the capital projects fund for all school corporations without limitations.

*School Building Inspection Violations:* The bill allows up to one year or the school corporation's next budget year for school corporations to abate school building inspection violations.

*Attendance Officers:* The bill removes the requirement for state and local attendance officers. The bill also repeals superseded compulsory school attendance provisions.

*Twenty-First Century Scholars:* The bill extends eligibility for the Twenty-first Century Scholars Program to students in Grade 6.

**Effective Date:** July 1, 2006.

**Explanation of State Expenditures:** *Twenty-First Century Scholars:* The bill changes the grade for eligibility to enter the program from Grade 8 to Grade 6. The bill should not increase the long-term cost of the program, but could increase the costs in the first year of providing information and enrolling Grades 6, 7, and 8 instead of just Grade 8. The increase would probably be minor.

*Attendance Officer:* The elimination of the State Attendance Officer could reduce state expenditures, but the savings are probably minor. The state would still be collecting attendance information.

**Explanation of State Revenues:**

**Explanation of Local Expenditures:** *Buses:* Allowing the use of school-owned buses for nonprofit organizations may increase a school's transportation costs. However, since the school can charge for the cost of fuel and may provide the use of the buses, but is not required to, the cost is probably minor.

*Nurses:* Allowing schools to contract for school nurses and other certified or licensed personnel to provide student health services and to hire nurses without a bachelor's degree should reduce school costs.

*Public Works Projects:* The increase in the dollar value of public works projects that are subject to the bidding process from:

1. \$75,000 to \$150,000 in a consolidated city, second-class city, a county containing a consolidated city or second-class city, or a regional water or sewage district.
2. \$50,000 to \$75,000 in a third-class city or town with a population of more than 5,000 or a county containing a third-class city or town with a population of more than 5,000.
3. \$25,000 to \$50,000 for all other political subdivisions.

The bill could reduce the bidding costs on small projects for all units of government. The reduction is unknown.

*Skilled Maintenance Personnel:* Allowing payment of salaries and fringe benefits for skilled maintenance personnel from the capital projects fund for all school corporations would increase the expenditures from the capital projects fund and allow general fund monies currently used for skilled maintenance workers to be used for other purposes. Existing statute provides that a school must have expenditures of at least \$600,000 to be able to pay for them from the capital projects fund. About 18 schools currently qualify under this provision and pay salaries of about \$7 M for skilled craft employees from their capital projects funds.

*Contracts:* The provisions making the renewal of contracts for assistant superintendents, principals, assistant principals, and directors of special education consistent with contracts with superintendents should not have any fiscal impact.

*Attendance Officers:* Removing the requirement that the school designate an attendance officer could reduce school costs, but the savings are probably minor.

*School Building Inspection Violations:* Allowing schools to fix a violation resulting from a State Fire Marshal inspection during the next school budget would give schools flexibility in budgeting and would eliminate the

need to defer other planned expenditures to abate violations.

**Explanation of Local Revenues:**

**State Agencies Affected:** State Student Assistance Commission; Department of Education; State Fire Marshal.

**Local Agencies Affected:** All.

**Information Sources:** Department of Education Databases.

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